98TH CONGRESS
1st Session

SENATE

TREATY DOC.
No. 98–2

INTERNATIONAL COFFEE AGREEMENT, 1983

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE INTERNATIONAL COFFEE AGREEMENT, 1983, SIGNED BY THE UNITED STATES ON MARCH 23, 1983

MAY 4, 1983.—Agreement was read the first time and, together with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate

---

U.S. GOVERNMENT PRINTING OFFICE

11-118 O

WASHINGTON : 1983

S385-2

LETTER OF TRANSMITTAL

THE WHITE HOUSE, *May 4, 1983.*

To the Senate of the United States:

I am transmitting herewith, for the advice and consent of the Senate to ratification, the International Coffee Agreement 1983. This Agreement would enter into force October 1, 1983, for a period of six years. I am the fifth President since 1962 to seek favorable Senate consideration of a new or extended International Coffee Agreement. The 1983 Agreement is similar in many respects to those of 1962, 1968 and 1976, but it contains several improvements of importance to the United States. I strongly urge that the Senate give advice and consent to ratification of this Agreement, thus signaling that the spirit of cooperation which has characterized the international coffee community these past 20 years will be continued and strengthened.

Coffee is vitally important to a large number of friendly, developing countries in Latin America, Africa and Asia. In terms of value, it is the most important agricultural commodity exported by developing countries. In 1981, coffee exports by these nations amounted to $8 billion. Eighteen countries obtained more than 20 percent of their total export earnings from coffee. Altogether 71 countries participated in the negotiation of the International Coffee Agreement 1983 and are expected to join it. In 1982 the United States imported $2.7 billion worth of coffee, 30 percent of the amount traded internationally.

The International Coffee Agreement 1983 represents the latest development in twenty years of United States leadership in international coffee cooperation. The impetus for the first International Coffee Agreement in 1962 came from the United States and Brazil. We participated actively in the negotiation and implementation of subsequent agreements in 1968 and 1976. The 1976 Agreement, successfully negotiated in a difficult period immediately following the disastrous 1975 frost in Brazil, has been generally successful in keeping coffee prices within the agreed range once quotas came into effect in late 1980.

The basic framework of the 1983 Agreement is similar to that of the 1976 Agreement:

Its objective is to stabilize the price of coffee within a range that is acceptable to both consumers and producers.

Its principal economic provision is a system of country export quotas which are decreased when prices are declining and increased when prices are rising in order to seek to keep the price of coffee within the agreed range. In periods of exceptionally high prices quotas are suspended altogether in order to encourage maximum exports. The quota system is enforced by the importing members.

It promotes the maintenance of adequate coffee stock levels by making each producing country's export quota partially dependent on its level of stocks. These stocks can be released in a period of high prices to put immediate downward pressure on the market.

In the 1983 Agreement, however, the United States sought and achieved several improvements:

An enhanced role for importing countries in the determination of individual country export quotas.

More effective provisions regarding the declaration of export shortfalls to assure that export quotas remain realistic.

Language clarifying the obligation of producers to refrain from market activities outside the scope of the Agreement.

International Coffee Agreements have aimed at balancing the economic interests of producers and consumers, and each has been an improvement over the predecessor in this regard. Like the previous Agreements, the 1983 Agreement is intended to stabilize coffee prices for short-run periods along long-term market trends. The Agreement itself contains no fixed price objective; rather, each year the members of the Agreement will establish a price range based on current production and consumption trends, inventory levels, and other factors that influence the market.

I believe that the International Coffee Agreement 1983 represents an important element in the continuation of the cooperation between coffee-producing and consuming countries. It provides the framework and the flexibility for the United States to continue the special relationship we have fostered with the coffee countries since 1962.

I recommend that the Senate give early and favorable consideration to this Agreement and its advice and consent to ratification. The United States Trade Representative will separately submit proposed legislation to implement the Agreement through September 30, 1989.

RONALD REAGAN.

LETTER OF TRANSMITTAL

DEPARTMENT OF STATE,
Washington, April 23, 1983.

The PRESIDENT,
The White House.

THE PRESIDENT: I have the honor to submit to you, with a view to its transmission to the Senate for advice and consent to ratification, the International Coffee Agreement 1983. This Agreement was signed by the United States on March 23, 1983. It would replace the International Coffee Agreement 1976, as extended, and would enter into force October 1, 1983, for a period of six years. I recommend that the Agreement be transmitted to the Senate for advice and consent to ratification.

Coffee is vitally important to a large number of friendly, developing countries in Latin America, Africa and Asia. In terms of value, it is the most important agricultural commodity exported by developing countries. In 1981, coffee exports by these nations amounted to $8 billion. Eighteen countries obtained more than 20 percent of their total export earnings from coffee. Altogether 47 producing countries, representing more than 90 percent of world coffee production, and 24 consuming countries, accounting for 95 percent of world coffee consumption, participated in the negotiation of the International Coffee Agreement 1983 and are expected to join it. In 1982 the United States imported $2.7 billion worth of coffee, 30 percent of the amount traded internationally.

Given the importance of this product to so many countries and the major role we play as a market for this item, our participation in this renegotiated coffee agreement occupies a place of importance in our international relations. The International Coffee Agreement 1983 represents the latest development in twenty years of United States leadership in international coffee cooperation. The impetus for the first International Coffee Agreement in 1962 came from the United States and Brazil. We participated actively in the negotiation and implementation of subsequent agreements in 1968 and 1976. The 1976 Agreement, successfully negotiated in a difficult period immediately following the disastrous 1975 frost in Brazil, has been generally successful in keeping coffee prices within the agreed range once quotas came into effect in late 1980.

Due to expire in October 1982, the 1976 Agreement was extended for an additional year to give governments ample opportunity to negotiate a successor agreement. The basic framework of the 1983 Agreement is similar to that of the previously agreement. Thus, the 1983 Agreement contains the following main elements:

Its objective is to stabilize the price of coffee within a range that is acceptable to both consumers and producers.

Its principal economic provision is a system of country export quotas which are decreased when prices are declining and increased when prices are rising in order to seek to keep the price of coffee within the agreed range. In periods of exceptionally high prices quotas are suspended altogether in order to encourage maximum exports. The quota system is enforced by the importing members.

It promotes the maintenance of adequate coffee stock levels by making each producing country's export quota partially dependent on its level of stocks. These stocks can be released in a period of high prices to put immediate downward pressure on the market.

In the 1983 Agreement, however, the United States sought and achieved several improvements. These include:

An enhanced role for importing countries in the determination of individual country export quotas. Although consumers will still not be directly involved in negotiations on export quotas, consumers must approve the final quota distribution. Our vote on this issue will help assure that sufficient quantities of the types of coffee demanded by U.S. consumers are included in the final quota distribution.

More effective provisions regarding the declaration of export shortfalls to assure that export quotas remain realistic. Exporters which do not declare in a timely fashion their inability to fulfill their assigned quotas will be penalized by having their quotas reduced in the following year.

Language clarifying the obligation of producers to refrain from multilateral activities outside the scope of the Agreement which would affect the price of coffee.

International Coffee Agreements have aimed at balancing the economic interests of producers and consumers, and each has been an improvement over the predecessor in this regard. Like the previous Agreements, the 1983 Agreement is intended to stabilize coffee prices for short-run periods along long term market trends. The Agreement itself contains no fixed price objective; rather, each year the members of the Agreement will establish a price range based on current production and consumption trends, inventory levels, and other factors that influence the market.

I believe that the International Coffee Agreement 1983 represents an important element in the continuation of the cooperation between coffee producing and consuming countries. The Agreement provides the framework and the flexibility for the United States to continue the special relationship we have fostered with the coffee countries since 1962.

The Departments of Agriculture, Commerce and Treasury and the Office of the United States Trade Representative concur in the submission of this Agreement to the Senate.

Respectfully submitted.

GEORGE P. SHULTZ.

INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACION INTERNACIONAL DEL CAFE
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFE

INTERNATIONAL COFFEE AGREEMENT 1983

COPY OF AUTHENTICATED TEXT

October 1982
London, England

By Resolution number 320 of 16 September 1982 the International Coffee Council approved the text of the International Coffee Agreement 1983, contained in documents EB-2142/82, EB-2142/82 Add.1 Rev. 1 and EB-2142/82 Add. 2 as amended and corrected. By the same Resolution the Council requested the Executive Director to prepare, in consultation with a Drafting Group appointed by the Council, a definitive text of the Agreement and to authenticate this text for transmission to the Secretary-General of the United Nations. This document contains a copy of the text of the International Coffee Agreement 1983 sent to the Secretary-General of the United Nations for deposit and signature under the provisions of Article 59 thereof.

INTERNATIONAL COFFEE ORGANIZATION
22 Berners Street
London, England

CONTENTS

Article		Page
	Preamble	1
	CHAPTER I - OBJECTIVES	
1	Objectives	2
2	General undertakings by Members	3
	CHAPTER II - DEFINITIONS	
3	Definitions	5
	CHAPTER III - MEMBERSHIP	
4	Membership in the Organization	9
5	Separate membership in respect of designated territories	10
6	Group membership upon joining the Organization	10
7	Subsequent group membership	13
	CHAPTER IV - ORGANIZATION AND ADMINISTRATION	
8	Seat and structure of the International Coffee Organization	14
9	Composition of the International Coffee Council	14
10	Powers and functions of the Council	14
11	Election of the Chairman and Vice-Chairmen of the Council	15
12	Sessions of the Council	16
13	Votes	16
14	Voting procedure of the Council	18

Article		Page
15	Decisions of the Council	18
16	Composition of the Board	19
17	Election of the Board	20
18	Competence of the Board	21
19	Voting procedure of the Board	22
20	Quorum for the Council and the Board	23
21	The Executive Director and the staff	23
22	Cooperation with other organizations	24
	CHAPTER V - PRIVILEGES AND IMMUNITIES	
23	Privileges and immunities	25
	CHAPTER VI - FINANCE	
24	Finance	27
25	Determination of the Budget and assessment of contributions	27
26	Payment of contributions	28
27	Audit and publication of accounts	29
	CHAPTER VII - REGULATION OF EXPORTS AND IMPORTS	
28	General provisions	30
29	Markets subject to quota	30
30	Basic quotas	30
31	Exporting Members exempt from basic quotas	31
32	Provisions for the adjustment of basic quotas	33
33	Provisions for the continuation, suspension and reintroduction of quotas	33

Article		Page
34	Setting of the global annual quota	36
35	Allocation of annual quotas	37
36	Quarterly quotas	38
37	Adjustment of annual and quarterly quotas	39
38	Price measures	39
39	Additional measures for the adjustment of quotas	40
40	Shortfalls and undershipments	41
41	Export entitlement of a Member group	41
42	Compliance with quotas	42
43	Certificates of Origin and other forms of Certificates	43
44	Exports not charged to quotas	45
45	Regulation of imports	46

CHAPTER VIII - OTHER ECONOMIC PROVISIONS

46	Measures related to processed coffee	48
47	Promotion	48
48	Removal of obstacles to consumption	51
49	Mixtures and substitutes	52
50	Production policy	53
51	Policy relative to coffee stocks	53
52	Consultation and cooperation with the trade	54
53	Information	54
54	Studies	55
55	Special Fund	56
56	Waiver	58

Article		Page
	CHAPTER IX - CONSULTATIONS, DISPUTES AND COMPLAINTS	
57	Consultations	59
58	Disputes and complaints	59
	CHAPTER X - FINAL PROVISIONS	
59	Signature	62
60	Ratification, acceptance, approval	62
61	Entry into force	63
62	Accession	64
63	Reservations	65
64	Extension to designated territories	65
65	Voluntary withdrawal	66
66	Exclusion	66
67	Settlement of accounts with withdrawing or excluded Members	67
68	Duration and termination	68
69	Amendment	69
70	Supplementary and transitional provisions	70
71	Authentic texts of the Agreement	70
Annexes		
1	People's Republic of Angola	73
2	Exporting Members subject to the provisions of Article 31	75
3	Share of individual Members in the global quota for exporting Members entitled to a basic quota in coffee year 1983/84	77

INTERNATIONAL COFFEE AGREEMENT 1983

Preamble

The Governments party to this Agreement,

Recognising the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and thus for the continuation of their development programmes in the social and economic fields;

Considering that close international cooperation on trade in coffee will foster the economic diversification and development of coffee-producing countries, will improve political and economic relations between producers and consumers and will provide for increasing consumption of coffee;

Recognising the desirability of avoiding disequilibrium between production and consumption which can give rise to pronounced fluctuations in prices harmful both to producers and to consumers;

Believing that international measures can assist in correcting the effects of such disequilibrium, as well as help to ensure an adequate level of earnings to producers through remunerative prices;

Noting the advantages derived from the international cooperation which resulted from the operation of the International Coffee Agreements 1962, 1968 and 1976;

Have agreed as follows:

CHAPTER I - OBJECTIVES

Article 1

Objectives

The objectives of this Agreement are:

(1) to achieve a reasonable balance between world supply and demand on a basis which will assure adequate supplies of coffee at fair prices to consumers and markets for coffee at remunerative prices to producers and which will be conducive to long-term equilibrium between production and consumption;

(2) to avoid excessive fluctuations in the levels of world supplies, stocks and prices which are harmful to both producers and consumers;

(3) to contribute to the development of productive resources and to the promotion and maintenance of employment and income in Member countries, thereby helping to bring about fair wages, higher living standards and better working conditions;

(4) to increase the purchasing power of coffee-exporting countries by keeping prices in accordance with the provisions of paragraph (1) of this Article and by increasing consumption;

(5) to promote and increase the consumption of coffee by every possible means;

(6) in general, in recognition of the relationship of the trade in coffee to the economic stability of markets for industrial products, to further international cooperation in connection with world coffee problems.

Article 2

General undertakings by Members

(1) Members undertake to conduct their trade policy in such a way that the objectives set out in Article 1 may be attained. They further undertake to achieve these objectives by strict observance of the obligations and provisions of this Agreement.

(2) Members recognise the need to adopt policies which will maintain prices at levels which will ensure adequate remuneration to producers and seek to ensure that prices of coffee to consumers will not hamper a desirable increase in consumption. When such objectives are being achieved Members shall abstain from multilateral actions which could affect the price of coffee.

(3) Exporting Members undertake not to adopt or maintain any governmental measures which would permit the sale of coffee to non-members on terms commercially more favourable than those which they are prepared to offer at the same time to importing Members, taking into account normal trade practices.

(4) The Council shall review periodically compliance with the provisions of paragraph (3) of this Article and may require Members to supply appropriate information in accordance with the provisions of Article 53.

(5) Members recognise that Certificates of Origin are a vital source of information on the trade in coffee. During periods when quotas are suspended, the responsibility for ensuring the proper use of Certificates

of Origin rests with exporting Members. However, importing Members, while under no obligation to demand that Certificates accompany consignments of coffee when quotas are not in effect, shall cooperate fully with the Organization in the collection and verification of Certificates relating to shipments of coffee received from exporting Member countries in order to ensure that the maximum information is available to all Members.

CHAPTER II - DEFINITIONS

Article 3

Definitions

For the purposes of this Agreement:

(1) "Coffee" means the beans and cherries of the coffee tree, whether parchment, green or roasted, and includes ground, decaffeinated, liquid and soluble coffee. These terms shall have the following meaning:

(a) "green coffee" means all coffee in the naked bean form before roasting;

(b) "dried coffee cherry" means the dried fruit of the coffee tree; to find the equivalent of dried coffee cherry to green coffee, multiply the net weight of the dried coffee cherry by 0.50;

(c) "parchment coffee" means the green coffee bean contained in the parchment skin; to find the equivalent of parchment coffee to green coffee, multiply the net weight of the parchment coffee by 0.80;

(d) "roasted coffee" means green coffee roasted to any degree and includes ground coffee; to find the equivalent of roasted coffee to green coffee, multiply the net weight of roasted coffee by 1.19;

(e) "decaffeinated coffee" means green, roasted or soluble coffee from which caffeine has been extracted; to find the equivalent of decaffeinated coffee to green coffee, multiply the net weight of the decaffeinated coffee in green, roasted or soluble form by 1.00, 1.19 or 2.6 respectively;

(f) "liquid coffee" means the water-soluble solids derived from roasted coffee and put into liquid form; to find the equivalent of liquid to green coffee, multiply the net weight of the dried coffee solids contained in the liquid coffee by 2.6; and

(g) "soluble coffee" means the dried water-soluble solids derived from roasted coffee; to find the equivalent of soluble coffee to green coffee, multiply the net weight of the soluble coffee by 2.6.

(2) "Bag" means 60 kilogrammes or 132.276 pounds of green coffee; "tonne" means a metric tonne of 1,000 kilogrammes or 2,204.6 pounds; and "pound" means 453.597 grammes.

(3) "Coffee year" means the period of one year, from 1 October to 30 September.

(4) "Organization", "Council" and "Board" mean, respectively, the International Coffee Organization, the International Coffee Council and the Executive Board.

(5) "Member" means a Contracting Party, including an intergovernmental organization referred to in paragraph (3) of Article 4; a designated territory or territories in respect of which separate membership has been declared under the provisions of Article 5; or two or more Contracting Parties or designated territories, or both, which participate in the Organization as a Member group under the provisions of Article 6 or 7.

(6) "Exporting Member" or "exporting country" means a Member or country, respectively, which is a net exporter of coffee; that is, a Member or country whose exports exceed its imports.

(7) "Importing Member" or "importing country" means a Member or country, respectively, which is a net importer of coffee; that is, a Member or country whose imports exceed its exports.

(8) "Producing Member" or "producing country" means a Member or country, respectively, which grows coffee in commercially significant quantities.

(9) "Distributed simple majority vote" means a majority of the votes cast by exporting Members present and voting and a majority of the votes cast by importing Members present and voting, counted separately.

(10) "Distributed two-thirds majority vote" means a two-thirds majority of the votes cast by exporting Members present and voting and a two-thirds majority of the votes cast by importing Members present and voting, counted separately.

(11) "Entry into force" means, except as otherwise provided, the date on which this Agreement enters into force, whether provisionally or definitively.

(12) "Exportable production" means the total production of coffee of an exporting country in a given coffee or crop year, less the amount destined for domestic consumption in the same year.

(13) "Availability for export" means the exportable production of an exporting country in a given coffee year, plus accumulated stocks from previous years.

(14) "Export entitlement" means the total quantity of coffee which a Member is authorised to export under the various provisions of this Agreement, but excluding exports which under the provisions of Article 44 are not charged to quotas.

(15) "Shortfall" means any amount by which the annual export entitlement of an exporting Member in a given coffee year exceeds the amount of coffee as identified within the first six months of the coffee year, which:

(a) the Member has available for export, calculated on the basis of stocks and forecast crop; or

(b) the Member states that it intends to export to quota markets in that coffee year.

(16) "Undershipment" means the difference between the annual export entitlement of an exporting Member in a given coffee year and the amount of coffee which that Member has exported to quota markets in that coffee year, unless this difference is a "shortfall" as defined in paragraph (15) of this Article.

CHAPTER III - MEMBERSHIP

Article 4

Membership in the Organization

(1) Each Contracting Party, together with those territories to which this Agreement is extended under the provisions of paragraph (1) of Article 64, shall constitute a single Member of the Organization, except as otherwise provided for under the provisions of Articles 5, 6 and 7.

(2) A Member may change its category of membership on such conditions as the Council may agree.

(3) Any reference in this Agreement to a Government shall be construed as including a reference to the European Economic Community, or any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements.

(4) Such intergovernmental organization shall not itself have any votes but in the case of a vote on matters within its competence it shall be entitled to cast collectively the votes of its Member States. In such cases, the Member States of such intergovernmental organization shall not be entitled to exercise their individual voting rights.

(5) The provisions of paragraph (1) of Article 16 shall not apply to such intergovernmental organization but it may participate in the discussions of the Executive Board on matters within its competence. In the case of a vote on matters within its competence, and notwithstanding the provisions of paragraph (1) of Article 19, the votes which its Member States are entitled to cast in the Executive Board may be cast collectively by any one of those Member States.

Article 5

Separate membership in respect of designated territories

Any Contracting Party which is a net importer of coffee may, at any time, by appropriate notification in accordance with the provisions of paragraph (2) of Article 64, declare that it is participating in the Organization separately with respect to any of the territories for whose international relations it is responsible, which are net exporters of coffee and which it designates. In such case, the metropolitan territory and its non-designated territories will have a single membership, and its designated territories, either individually or collectively as the notification indicates, will have separate membership.

Article 6

Group membership upon joining the Organization

(1) Two or more Contracting Parties which are net exporters of coffee may, by appropriate notification to the Council and to the Secretary-General of the United Nations at the time of deposit of their respective instruments of approval, ratification, acceptance or accession, declare that they are joining the Organization as a Member group. A territory to which this Agreement has been extended under the provisions of paragraph (1) of Article 64 may constitute part of such Member group if the Government of the State responsible for its international relations has given appropriate notification thereof under the provisions of paragraph (2) of Article 64. Such Contracting Parties and designated territories must satisfy the following conditions:

(a) they shall declare their willingness to accept responsibility for group obligations in an individual as well as a group capacity; and

(b) they shall subsequently provide satisfactory evidence to the Council that:

(i) the group has the organization necessary to implement a common coffee policy and that they have the means of complying, together with the other parties to the group, with their obligations under this Agreement; and that either

(ii) they have been recognised as a group in a previous International Coffee Agreement; or

(iii) they have a common or coordinated commercial and economic policy in relation to coffee and a coordinated monetary and financial policy, as well as the organs necessary to implement such policies, so that the Council is satisfied that the Member group is able to comply with the group obligations involved.

(2) The Member group shall constitute a single Member of the Organization, except that each party to the group shall be treated as if it were a single Member in relation to matters arising under the following provisions:

(a) Articles 11 and 12 and paragraph (1) of Article 20;

(b) Articles 50 and 51; and

(c) Article 67.

(3) The Contracting Parties and designated territories joining as a Member group shall specify the Government or organization which will represent them in the Council on matters arising under this Agreement other than those specified in paragraph (2) of this Article.

(4) The voting rights of the Member group shall be as follows:

(a) the Member group shall have the same number of basic votes as a single Member country joining the Organization in an individual capacity. These basic votes shall be attributed to and cast by the Government or organization representing the group; and

(b) in the event of a vote on any matters arising under the provisions of paragraph (2) of this Article, the parties to the Member group may cast separately the votes attributed to them under the provisions of paragraphs (3) and (4) of Article 13 as if each were an individual Member of the Organization, except for the basic votes, which shall remain attributable only to the Government or organization representing the group.

(5) Any Contracting Party or designated territory which is a party to a Member group may, by notification to the Council, withdraw from that group and become a separate Member. Such withdrawal shall take effect upon receipt of the notification by the Council. If a party to a Member group withdraws from that group or ceases to participate in the Organization, the remaining parties to the group may apply to the Council to maintain the group; the group shall continue to exist unless the Council disapproves the application. If the Member group is dissolved, each former party to the group will become a separate Member. A Member which has ceased to be a party to a group may not, as long as this Agreement remains in force, again become a party to a group.

Article 7

Subsequent group membership

Two or more exporting Members may, at any time after this Agreement has entered into force, apply to the Council to form a Member group. The Council shall approve the application if it finds that the Members have made a declaration and have provided satisfactory evidence in accordance with the requirements of paragraph (1) of Article 6. Upon such approval, the Member group shall be subject to the provisions of paragraphs (2), (3), (4) and (5) of that Article.

CHAPTER IV - ORGANIZATION AND ADMINISTRATION

Article 8

Seat and structure of the International Coffee Organization

(1) The International Coffee Organization established under the 1962 Agreement shall continue in being to administer the provisions and supervise the operation of this Agreement.

(2) The seat of the Organization shall be in London unless the Council by a distributed two-thirds majority vote decides otherwise.

(3) The Organization shall function through the International Coffee Council, the Executive Board, the Executive Director and the staff.

Article 9

Composition of the International Coffee Council

(1) The highest authority of the Organization shall be the International Coffee Council, which shall consist of all the Members of the Organization.

(2) Each Member shall appoint one representative on the Council and, if it so desires, one or more alternates. A Member may also designate one or more advisers to its representative or alternates.

Article 10

Powers and functions of the Council

(1) All powers specifically conferred by this Agreement shall be vested in the Council, which shall have the powers and perform the functions necessary to carry out the provisions of this Agreement.

(2) The Council shall, by a distributed two-thirds majority vote, establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith. The Council may, in its rules of procedure, provide the means whereby it may, without meeting, decide specific questions.

(3) The Council shall also keep such records as are required to perform its functions under this Agreement and such other records as it considers desirable.

Article 11

Election of the Chairman and Vice-Chairmen of the Council

(1) The Council shall elect, for each coffee year, a Chairman and a first, a second and a third Vice-Chairman.

(2) As a general rule, the Chairman and the first Vice-Chairman shall both be elected either from among the representatives of exporting Members or from among the representatives of importing Members and the second and the third Vice-Chairmen shall be elected from among representatives of the other category of Member. These offices shall alternate each coffee year between the two categories of Member.

(3) Neither the Chairman nor any Vice-Chairman acting as Chairman shall have the right to vote. His alternate will in such case exercise the voting rights of the Member.

Article 12

Sessions of the Council

As a general rule, the Council shall hold regular sessions twice a year. It may hold special sessions should it so decide. Special sessions shall also be held at the request of the Executive Board, of any five Members, or of a Member or Members having at least 200 votes. Notice of sessions shall be given at least 30 days in advance except in cases of emergency. Sessions shall be held at the seat of the Organization, unless the Council decides otherwise.

Article 13

Votes

(1) The exporting Members shall together hold 1,000 votes and the importing Members shall together hold 1,000 votes, distributed within each category of Member - that is, exporting and importing Members, respectively - as provided for in the following paragraphs of this Article.

(2) Each Member shall have five basic votes, provided that the total number of basic votes within each category of Member does not exceed 150. Should there be more than 30 exporting Members or more than 30 importing Members, the number of basic votes for each Member within that category of membership shall be adjusted to keep the number of basic votes for each category of Member within the maximum of 150.

(3) Exporting Members listed in Annex 2 shall, in addition to the basic votes, have the number of votes attributed to them in column (2) of that Annex. If any exporting Member referred to in this paragraph elects to have a basic quota under the provisions of paragraph (3) of Article 31, the provisions of this paragraph shall cease to apply to it.

(4) The remaining votes of exporting Members shall be divided among those Members having a basic quota in proportion to the average volume of their respective exports of coffee to importing Members in the preceding four calendar years.

(5) The remaining votes of importing Members shall be divided among those Members in proportion to the average volume of their respective imports of coffee in the preceding four calendar years.

(6) The distribution of votes shall be determined by the Council in accordance with the provisions of this Article at the beginning of each coffee year and shall remain in effect during that year, except as provided for in paragraph (7) of this Article.

(7) The Council shall provide for the redistribution of votes in accordance with the provisions of this Article whenever there is a change in the membership of the Organization or if the voting rights of a Member are suspended or regained under the provisions of Article 26, 42, 45, 47, 55 or 58.

(8) No Member shall hold more than 400 votes.

(9) There shall be no fractional votes.

Article 14

Voting procedure of the Council

(1) Each Member shall be entitled to cast the number of votes it holds and shall not be entitled to divide its votes. However, a Member may cast differently any votes which it holds under the provisions of paragraph (2) of this Article.

(2) Any exporting Member may authorise any other exporting Member, and any importing Member may authorise any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council. The limitation provided for in paragraph (8) of Article 13 shall not apply in this case.

Article 15

Decisions of the Council

(1) All decisions of the Council shall be taken, and all recommendations shall be made, by a distributed simple majority vote unless otherwise provided for in this Agreement.

(2) The following procedure shall apply with respect to any decision by the Council which under the provisions of this Agreement requires a distributed two-thirds majority vote:

(a) if a distributed two-thirds majority vote is not obtained because of the negative vote of three or less exporting or three or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 48 hours;

(b) if a distributed two-thirds majority vote is again not obtained because of the negative vote of two or less exporting or two or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 24 hours;

(c) if a distributed two-thirds majority vote is not obtained in the third vote because of the negative vote of one exporting Member or one importing Member, the proposal shall be considered adopted; and

(d) if the Council fails to put a proposal to a further vote, it shall be considered rejected.

(3) Members undertake to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 16

Composition of the Board

(1) The Executive Board shall consist of eight exporting Members and eight importing Members elected for each coffee year in accordance with the provisions of Article 17. Members may be re-elected.

(2) Each Member of the Board shall appoint one representative and, if it so desires, one or more alternates. Each Member may also designate one or more advisers to its representative or alternates.

(3) The Executive Board shall have a Chairman and Vice-Chairman who shall be elected by the Council for each coffee year and may be re-elected. Neither the Chairman nor a Vice-Chairman acting as Chairman shall have the

right to vote. If a representative is elected Chairman or if a Vice-Chairman is acting as Chairman, his alternate will have the right to vote in his place. As a general rule, the Chairman and the Vice-Chairman for each coffee year shall be elected from among the representatives of the same category of membership.

(4) The Board shall normally meet at the seat of the Organization but may meet elsewhere.

Article 17

Election of the Board

(1) The exporting and the importing Members of the Board shall be elected in the Council by the exporting and the importing Members of the Organization respectively. The election within each category shall be held in accordance with the provisions of the following paragraphs of this Article.

(2) Each Member shall cast for a single candidate all the votes to which it is entitled under the provisions of Article 13. A Member may cast for another candidate any votes which it holds under the provisions of paragraph (2) of Article 14.

(3) The eight candidates receiving the largest number of votes shall be elected; however, no candidate shall be elected on the first ballot unless it receives at least 75 votes.

(4) If, under the provisions of paragraph (3) of this Article, less than eight candidates are elected on the first ballot, further ballots shall be

held in which only Members which did not vote for any of the candidates elected shall have the right to vote. In each further ballot the minimum number of votes required for election shall be successively diminished by five until eight candidates are elected.

(5) Any Member which did not vote for any of the Members elected shall assign its votes to one of them, subject to the provisions of paragraphs (6) and (7) of this Article.

(6) A Member shall be deemed to have received the number of votes cast for it when it was elected and, in addition, the number of votes assigned to it, provided that the total number of votes shall not exceed 499 for any Member elected.

(7) If the votes deemed received by an elected Member exceed 499, Members which voted for or assigned their votes to such elected Member shall arrange among themselves for one or more of them to withdraw their votes from that Member and assign or re-assign them to another elected Member so that the votes received by each elected Member shall not exceed the limit of 499.

Article 18

Competence of the Board

(1) The Board shall be responsible to and work under the general direction of the Council.

(2) The Council may, by a distributed two-thirds majority vote, delegate to the Board the exercise of any or all of its powers other than the following:

(a) approval of the Administrative Budget and assessment of contributions under the provisions of Article 25;

(b) suspension of the voting rights of a Member under the provisions of Article 45 or 58;

(c) decisions on disputes under the provisions of Article 58;

(d) establishment of conditions for accession under the provisions of Article 62;

(e) a decision to exclude a Member under the provisions of Article 66;

(f) a decision concerning the renegotiation, extension or termination of this Agreement under the provisions of Article 68; and

(g) recommendation of amendments to Members under the provisions of Article 69.

(3) The Council may, by a distributed simple majority vote, at any time revoke any powers which have been delegated to the Board.

Article 19

Voting procedure of the Board

(1) Each Member of the Board shall be entitled to cast the number of votes received by it under the provisions of paragraphs (6) and (7) of Article 17. Voting by proxy shall not be allowed. A Member of the Board shall not be entitled to divide its votes.

(2) Any decision taken by the Board shall require the same majority as such decision would require if taken by the Council.

Article 20

Quorum for the Council and the Board

(1) The quorum for any meeting of the Council shall be the presence of a majority of the Members representing a distributed two-thirds majority of the total votes. If there is no quorum at the time appointed for the commencement of any Council meeting, the Chairman of the Council may decide to postpone the opening time of the meeting for at least three hours. If there is no quorum at the new time set, the Chairman may again defer the opening time of the Council meeting for at least a further three hours. This procedure may be repeated until a quorum is present at the appointed time. Representation in accordance with the provisions of paragraph (2) of Article 14 shall be considered as presence.

(2) The quorum for any meeting of the Board shall be the presence of a majority of the Members representing a distributed two-thirds majority of the total votes.

Article 21

The Executive Director and the staff

(1) The Council shall appoint the Executive Director on the recommendation of the Board. The terms of appointment of the Executive Director shall be established by the Council and shall be comparable to those applying to corresponding officials of similar intergovernmental organizations.

(2) The Executive Director shall be the chief administrative officer of the Organization and shall be responsible for the performance of any duties devolving upon him in the administration of this Agreement.

(3) The Executive Director shall appoint the staff in accordance with regulations established by the Council.

(4) Neither the Executive Director nor any member of the staff shall have any financial interest in the coffee industry, the coffee trade or the transportation of coffee.

(5) In the performance of their duties, the Executive Director and the staff shall not seek or receive instructions from any Member or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Executive Director and the staff and not to seek to influence them in the discharge of their responsibilities.

Article 22

Cooperation with other organizations

The Council may make arrangements for consultation and cooperation with the United Nations and its specialised agencies and with other appropriate intergovernmental organizations. Such arrangements may include financial arrangements which the Council considers appropriate for achieving the objectives of the Agreement. The Council may invite these organizations and any organizations concerned with coffee to send observers to its meetings.

CHAPTER V - PRIVILEGES AND IMMUNITIES

Article 23

Privileges and immunities

(1) The Organization shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

(2) The status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and of representatives of Members while in the territory of the United Kingdom of Great Britain and Northern Ireland for the purpose of exercising their functions, shall continue to be governed by the Headquarters Agreement concluded between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the host Government) and the Organization on 28 May 1969.

(3) The Headquarters Agreement referred to in paragraph (2) of this Article shall be independent of this Agreement. It shall however terminate:

(a) by agreement between the host Government and the Organization;

(b) in the event of the headquarters of the Organization being moved from the territory of the host Government; or

(c) in the event of the Organization ceasing to exist.

(4) The Organization may conclude with one or more other Members agreements to be approved by the Council relating to such privileges and immunities as may be necessary for the proper functioning of this Agreement.

(5) The Governments of Member countries other than the host Goverment shall grant the Organization the same facilities in respect of currency or exchange restrictions, maintenance of bank accounts and transfer of monies, as are accorded to the specialised agencies of the United Nations.

CHAPTER VI - FINANCE

Article 24

Finance

(1) The expenses of delegations to the Council, representatives on the Board and representatives on any of the committees of the Council or the Board shall be met by their respective Governments.

(2) The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the Members assessed in accordance with the provisions of Article 25. However, the Council may levy fees for specific services.

(3) The financial year of the Organization shall be the same as the coffee year.

Article 25

Determination of the Budget and assessment of contributions

(1) During the second half of each financial year, the Council shall approve the Administrative Budget of the Organization for the following financial year and shall assess the contributions of each Member to that Budget.

(2) The contribution of each Member to the Budget for each financial year shall be in the proportion which the number of its votes at the time the Budget for that financial year is approved bears to the total votes of all the Members. However, if there is any change in the distribution of votes

among Members in accordance with the provisions of paragraph (6) of Article 13 at the beginning of the financial year for which contributions are assessed, such contributions shall be correspondingly adjusted for that year. In determining contributions, the votes of each Member shall be calculated without regard to the suspension of the voting rights of any Member or any redistribution of votes resulting therefrom.

(3) The initial contribution of any Member joining the Organization after the entry into force of this Agreement shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current financial year, but the assessments made upon other Members for the current financial year shall not be altered.

Article 26

Payment of contributions

(1) Contributions to the Administrative Budget for each financial year shall be payable in freely convertible currency and shall become due on the first day of that financial year.

(2) If any Member fails to pay its full contribution to the Administrative Budget within six months of the date on which the contribution is due, both its voting rights in the Council and its right to have its votes cast in the Board shall be suspended until such contribution has been paid. However, unless the Council by a distributed two-thirds majority vote so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement.

(3) Any Member whose voting rights have been suspended either under the provisions of paragraph (2) of this Article or under the provisions of Article 42, 45, 47, 55 or 58 shall nevertheless remain responsible for the payment of its contribution.

Article 27

Audit and publication of accounts

As soon as possible after the close of each financial year, an independently audited statement of the Organization's receipts and expenditures during that financial year shall be presented to the Council for approval and publication.

CHAPTER VII - REGULATION OF EXPORTS AND IMPORTS

Article 28

General provisions

(1) All decisions of the Council under the provisions of this Chapter shall be adopted by a distributed two-thirds majority vote.

(2) The word "annual" in this Chapter shall mean any period of 12 months established by the Council. However, the Council may adopt procedures for applying the provisions of this Chapter for a period longer than 12 months.

Article 29

Markets subject to quota

For the purpose of this Agreement, the world coffee market shall be divided into Member quota and non-member non-quota markets.

Article 30

Basic quotas

(1) Each exporting Member shall, subject to the provisions of Articles 31 and 32, be entitled to a basic quota. The basic quotas shall, subject to the provisions of paragraph (1) of Article 35, be used for the distribution of the fixed part of the annual quota in accordance with the provisions of paragraph (2) of that Article.

(2) Not later than 30 September 1984, the Council shall set the basic quotas for a period of not less than two years with effect from

1 October 1984. Before the completion of this period the Council shall, if necessary, set the basic quotas for the remainder of the life of the Agreement.

(3) If the Council fails to set basic quotas in accordance with the provisions of paragraph (2) of this Article and unless it decides otherwise quotas shall be suspended notwithstanding the provisions of Article 33.

(4) Quotas may be reintroduced at any time after their suspension under the provisions of paragraph (3) of this Article as soon as the Council has set the basic quotas in accordance with the provisions of paragraph (2) of this Article provided that the relevant price conditions referred to in Article 33 are met.

(5) The provisions of this Article shall apply to Angola under the conditions set out in Annex 1.

Article 31

Exporting Members exempt from basic quotas

(1) The Members listed in Annex 2, excluding Burundi and Rwanda, shall together have an export quota corresponding to 4.2 percent of the global annual quota set by the Council under the provisions of Article 34.

(2) The quota referred to in paragraph (1) of this Article shall be distributed among the Members listed in Annex 2 in accordance with the percentages shown in column (1) of that Annex.

(3) Any exporting Member listed in Annex 2 may at any time request the Council to establish a basic quota for it. In the event that a basic

quota is established for one of these countries the percentage indicated in paragraph (1) of this Article shall be decreased proportionally.

(4) If an exporting country accedes to the Agreement and is subject to the provisions of this Article, the Council shall allocate a quota to the Member and the percentage referred to in paragraph (1) of this Article shall be increased proportionally.

(5) Of the Members listed in Annex 2 only those with annual quotas above 100,000 bags shall be subject to the provisions of Articles 36 and 37.

(6) Burundi and Rwanda shall each have the following annual export quotas:

(a) for coffee year 1983/84: 450,000 bags;

(b) for subsequent coffee years during the lifetime of the present Agreement: 470,000 bags.

(7) Whenever the Council sets basic quotas in accordance with the provisions of paragraph (2) of Article 30, the percentage referred to in paragraph (1) and the amount shown in sub-paragraph (b) of paragraph (6) of this Article shall be reviewed and may be modified.

(8) Subject to the provisions of Articles 6 and 41, shortfalls declared by exporting Members listed in Annex 2 shall be distributed pro rata to their annual quotas among those other Members listed in Annex 2 able and prepared to export the amount of the shortfalls.

Article 32

Provisions for the adjustment of basic quotas

(1) If an importing country which was neither a Contracting Party to the International Coffee Agreement 1976 nor to the International Coffee Agreement 1976 as Extended becomes a Member of the Organization, the Council shall adjust the basic quotas resulting from the application of the provisions of Article 30.

(2) The adjustment referred to in paragraph (1) of this Article shall take into account either the average exports of individual exporting Members to the importing country concerned during the period 1976 to 1982 or the proportionate share of individual exporting Members in the average imports of that country during the same period.

(3) The Council shall approve the data to be used as a basis for the calculations necessary for the adjustment of basic quotas, as well as the criteria to be followed for the purpose of applying the provisions of this Article.

Article 33

Provisions for the continuation, suspension and reintroduction of quotas

(1) If the Council fails to establish the conditions for the operation of the quota system under the relevant Articles of this Chapter and unless

it decides otherwise, quotas shall continue in effect at the commencement of a coffee year if the fifteen-day moving average of the composite indicator price is at or below the highest price for the upward adjustment of quotas in the price range established by the Council for the preceding coffee year under the provisions of Article 38.

(2) Unless the Council decides otherwise, quotas shall be suspended as soon as either of the following conditions is fulfilled:

(a) the fifteen-day moving average of the composite indicator price remains, during 30 consecutive market days, 3.5 percent or more above the highest price for the upward adjustment of quotas in the price range in effect provided that all pro rata upward adjustments to the global annual quota established by the Council have already been applied; or

(b) the fifteen-day moving average of the composite indicator price remains, during 45 consecutive market days, 3.5 percent or more above the highest price for the upward adjusment of quotas in the price range in effect and provided that any remaining upward adjustments are applied on the date on which the fifteen-day moving average reaches that price.

(3) If quotas are suspended under the provisions of paragraph (2) of this Article for more than 12 months the Council shall meet in order to review and possibly revise the price range or price ranges established under the provisions of Article 38.

(4) Unless the Council decides otherwise, quotas shall be reintroduced in accordance with the provisions of paragraph (6) of this Article if the

fifteen-day moving average of the composite indicator price is at or below a price corresponding to the mid-point, increased by 3.5 percent, between the highest price for the upward adjustment of quotas and the lowest price for the downward adjustment of quotas in the most recent price range established by the Council.

(5) If quotas continue in effect under the provisions of paragraph (1) of this Article, the Executive Director shall immediately set a global annual quota on the basis of the disappearance of coffee in quota markets, estimated in accordance with the criteria established in Article 34. This quota shall be allocated to exporting Members in accordance with the provisions of Articles 31 and 35. Except as otherwise provided for in this Agreement, the quotas shall be fixed for a period of four quarters.

(6) Whenever the relevant price conditions referred to in paragraph (4) of this Article are met, quotas shall come into effect as soon as possible and in any event not later than the quarter following the fulfilment of the relevant price conditions. Except as otherwise provided for in this Agreement, the quotas shall be fixed for a period of four quarters. If the global annual and quarterly quotas have not previously been established by the Council, the Executive Director shall set a quota as provided for in paragraph (5) of this Article. This quota shall be allocated to exporting Members in accordance with the provisions of Articles 31 and 35.

(7) The Council shall be convened:

(a) during the first quarter of the coffee year if quotas continue in effect in accordance with the provisions of paragraph (1) of this Article; and

(b) during the first quarter following the reintroduction of quotas under the provisions of paragraph (4) of this Article.

The Council shall establish a price range or price ranges and review and, if necessary, revise quotas for such a period as it deems advisable, provided that this period does not exceed 12 months from the first day of the coffee year if quotas continue in effect or from the date on which the reintroduction of quotas takes place, whichever is relevant. If during the first quarter after the provisions of paragraphs (1) and (4) of this Article have been applied, the Council fails to establish a price range or price ranges and fails to agree on quotas the quotas set by the Executive Director shall be suspended.

Article 34

Setting of the global annual quota

Subject to the provisions of Article 33, the Council shall, at its last regular session of the coffee year, set a global annual quota taking into account *inter alia* the following:

(a) estimated annual consumption of importing Members;

(b) estimated imports of Members from other importing Members and from non-member countries;

(c) estimated changes in the level of inventories in importing Member countries and in free ports;

(d) compliance with the provisions of Article 40 concerning shortfalls and their redistribution; and

(e) for the reintroduction of quotas under the provisions of paragraph (4) of Article 33, exports of exporting Members to importing Members and to non-members during the twelve-month period preceding the reintroduction of quotas.

Article 35

Allocation of annual quotas

(1) In the light of the decision taken under the provisions of Article 34 and after deducting the amount of coffee required to comply with the provisions of Article 31, the annual quotas of exporting Members entitled to a basic quota for coffee year 1983/84 shall be allocated to them in the proportions shown in Annex 3.

(2) With effect from 1 October 1984, annual quotas shall be allocated in fixed and variable parts to exporting Members entitled to a basic quota in the light of the decision taken under the provisions of Article 34 and after deducting the amount of coffee required to comply with the provisions of Article 31. The fixed part shall correspond to 70 percent of the global annual quota, as adjusted to comply with the provisions of Article 31, and shall be distributed among exporting Members in accordance with the provisions of Article 30. The variable part shall correspond to 30 percent of the global annual quota, as adjusted to comply with the provisions of Article 31. These proportions may be changed by the Council but the fixed part shall never be less than 70 percent. Subject to the provisions of paragraph (3) of this Article, the variable part shall be distributed among exporting Members in the proportion which the verified stocks of each exporting Member bears to the total verified stocks of all

exporting Members having basic quotas, provided that, unless the Council establishes a different limit, no Member shall receive a share of the variable part of the quota in excess of 40 percent of the total volume of such variable part.

(3) The stocks to be taken into account for the purposes of this Article shall be those verified in accordance with the appropriate rules for the verification of stocks.

Article 36

Quarterly quotas

(1) Immediately following the allocation of annual quotas under the provisions of paragraphs (1) and (2) of Article 35, and subject to the provisions of Article 31, the Council shall allocate quarterly quotas to each exporting Member for the purpose of assuring an orderly flow of coffee to world markets throughout the period for which quotas are set.

(2) Unless the Council decides otherwise, these quotas shall be normally 25 percent of the annual quota of each Member. The Council may authorise the alteration of the quarterly quotas of two or more Members provided that this does not alter the global quota for the quarter. If exports by any Member in one quarter are less than its quota for that quarter, the outstanding balance shall be added to its quota for the following quarter.

(3) The provisions of this Article shall also apply to the implementation of paragraphs (5) and (6) of Article 33.

(4) If, on account of exceptional circumstances, an exporting Member considers that the limitation provided for in paragraph (2) of this Article would be likely to cause serious harm to its economy, the Council may, at the request of that Member, take appropriate action under the provisions of Article 56. The Member concerned must furnish evidence of harm and provide adequate guarantees concerning the maintenance of price stability. The Council shall not, however, in any event, authorise a Member to export more than 35 percent of its annual quota in the first quarter, 65 percent in the first two quarters, and 85 percent in the first three quarters.

Article 37

Adjustment of annual and quarterly quotas

(1) If market conditions so require, the Council may vary the annual and quarterly quotas allocated under the provisions of Articles 33, 35 and 36. Subject to the provisions of paragraphs (1) and (2) of Article 35 and except as provided for in Article 31 and paragraph (3) of Article 39, the quotas of each exporting Member shall be varied by the same percentage.

(2) Notwithstanding the provisions of paragraph (1) of this Article, the Council may, if it finds the market situation so requires, make adjustments among the current and remaining quarterly quotas of exporting Members without, however, altering the annual quotas.

Article 38

Price measures

(1) The Council shall establish a system of indicator prices which shall provide for a daily composite indicator price.

(2) On the basis of such a system, the Council may establish price ranges and price differentials for the principal groups of coffee and a composite price range.

(3) In establishing and adjusting any price range for the purposes of this Article, the Council shall take into consideration the prevailing level and trend of coffee prices including the influence thereon of:

- the levels and trends of consumption and production as well as stocks in importing and exporting countries;
- changes in the world monetary system;
- the trend of world inflation or deflation; and
- any other factors which might affect the achievement of the objectives set out in this Agreement.

The Executive Director shall supply the data necessary to permit the Council to give due consideration to the foregoing elements.

Article 39

Additional measures for the adjustment of quotas

(1) If quotas are in effect, the Council shall be convened in order to establish a system for the pro rata adjustment of quotas in response to movements in the composite indicator price, as provided for in Article 38.

(2) Such a system shall include provisions regarding price ranges, the number of market days over which counts shall be held and the number and size of adjustments.

(3) The Council may establish a system for adjusting quotas in response to movements in the prices of the principal groups of coffee. The Council

shall undertake a study of the feasibility of such a system. The Council shall decide whether to apply such a system during coffee year 1983/84. Similarly, the Council shall decide whether to apply such a system whenever it establishes a composite indicator price range under the provisions of paragraph (1) of this Article.

Article 40

Shortfalls and undershipments

(1) When quotas are in force at the beginning of a coffee year each exporting Member shall declare any anticipated shortfall from its export entitlement in order to permit redistribution in the same coffee year among exporting Members able and prepared to export the amount of the shortfalls. An equivalent amount to any shortfall not declared by the sixth month of the coffee year and therefore not redistributed during the same coffee year shall be added to the quota for the following year and distributed only to those Members which did not have undeclared shortfalls.

(2) Special provisions may be established when quotas are introduced in the course of a coffee year.

(3) Before the end of coffee year 1983/84 the Council shall make rules for the purposes of this Article, in order to enforce declaration and redistribution of shortfalls and identification of undershipments.

Article 41

Export entitlement of a Member group

If two or more Members form a Member group in accordance with the provisions of Article 6 or 7, the basic quotas or the export entitlements,

as the case may be, of those Members shall be added together and the combined total treated as a single basic quota or a single export entitlement for the purposes of this Chapter.

Article 42

Compliance with quotas

(1) Exporting Members shall adopt the measures required to ensure full compliance with all provisions of this Agreement relating to quotas. In addition to any measures the Member itself may take, the Council may require such Member to adopt additional measures for the effective implementation of the quota system provided for in this Agreement.

(2) Exporting Members shall not exceed the annual and quarterly quotas allocated to them.

(3) If an exporting Member exceeds its quota for any quarter, the Council shall deduct from one or more of its subsequent quotas a quantity equal to 110 percent of that excess.

(4) If an exporting Member for the second time exceeds its quarterly quota, the Council shall make the same deduction as that provided for in paragraph (3) of this Article.

(5) If an exporting Member for a third or subsequent time exceeds its quarterly quota, the Council shall make the same deduction as provided for in paragraph (3) of this Article and the voting rights of the Member shall be suspended until such time as the Council decides whether to exclude such Member from the Organization under the provisions of Article 66.

(6) The deductions provided for in paragraphs (3), (4) and (5) of this Article shall be deemed to be shortfalls for the purposes of paragraph (1) of Article 40.

(7) The Council shall apply the provisions of paragraphs (1) to (5) of this Article as soon as the necessary information is available.

Article 43

Certificates of Origin and other forms of Certificates

(1) Every export of coffee by a Member shall be covered by a valid Certificate of Origin. Certificates of Origin shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization.

(2) If quotas are in effect, every re-export of coffee by a Member shall be covered by a valid Certificate of Re-export. Certificates of Re-export shall be issued, in accordance with rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization, and shall certify that the coffee in question was imported in accordance with the provisions of this Agreement.

(3) The rules referred to in this Article shall contain provisions which will permit their application to groups of importing Members forming a customs union.

(4) The Council may make rules governing the printing, validation, issuing and use of Certificates and may adopt measures to issue coffee export stamps against payment of a fee to be determined by the Council.

The affixing of such stamps to Certificates of Origin may be one of the means prescribed for the validation of such Certificates. The Council may make similar arrangements for the validation of other forms of Certificates and for the issuing of other forms of coffee stamps on conditions to be determined.

(5) Each Member shall notify the Organization of the government or non-government agency which is to perform the functions specified in paragraphs (1) and (2) of this Article. The Organization shall specifically approve a non-government agency upon submission by the Member of satisfactory evidence of the agency's ability and willingness to fulfil the Member's responsibilities in accordance with the rules and regulations established under the provisions of this Agreement. The Council may at any time, for cause, declare a particular non-government agency to be no longer acceptable to it. The Council shall, either directly or through an internationally recognised world-wide organization, take all necessary steps so that at any time it will be able to satisfy itself that all forms of Certificates are being issued and used correctly and to ascertain the quantities of coffee which have been exported by each Member.

(6) A non-government agency approved as a certifying agency under the provisions of paragraph (5) of this Article shall keep records of the Certificates issued and the basis for their issue, for a period of not less than four years. In order to obtain approval as a certifying agency under the provisions of paragraph (5) of this Article, a non-government agency must previously agree to make such records available for examination by the Organization.

(7) If quotas are in effect Members shall, subject to the provisions of Article 44 and those of paragraphs (1) and (2) of Article 45, prohibit the import of any shipment of coffee which is not accompanied by a valid Certificate in the appropriate form issued in accordance with rules established by the Council.

(8) Small quantities of coffee in such forms as the Council may determine, or coffee for direct consumption on ships, aircraft and other international carriers, shall be exempt from the provisions of paragraphs (1) and (2) of this Article.

(9) Notwithstanding the provisions of paragraph (5) of Article 2 and of paragraphs (2) and (7) of this Article the Council may require Members to apply the provisions of these paragraphs when quotas are not in effect.

(10) The Council shall make rules concerning the effect of the introduction of quotas or adjustments thereto on contracts entered into prior to such introduction or adjustment.

Article 44

Exports not charged to quotas

(1) As provided for in Article 29, exports to countries not party to this Agreement shall not be charged to quotas. The Council may make rules governing, *inter alia*, the conduct and supervision of this trade, the treatment of, and the penalties for, diversions and re-exports from non-member to Member countries and the documents required to cover exports to both Member and non-member countries.

(2) Exports of coffee beans as raw material for industrial processing for any purposes other than human consumption as a beverage or foodstuff shall not be charged to quotas, provided that the Council is satisfied from information supplied by the exporting Member that the coffee beans are in fact used for such other purposes.

(3) The Council may, at the request of an exporting Member, decide that exports of coffee made by that Member for humanitarian or other non-commercial purposes shall not be charged to its quota.

Article 45

Regulation of imports

(1) To prevent non-member countries from increasing their exports at the expense of exporting Members, each Member shall, whenever quotas are in effect, limit its annual imports of coffee from non-member countries which were not Contracting Parties to the International Coffee Agreement 1968 to an amount equal to the annual average of its imports of coffee from non-member countries from either calendar year 1971 to calendar year 1974 inclusive, or from calendar year 1972 to calendar year 1974 inclusive. If a non-member country becomes a party to the Agreement the limitation of each Member in respect of the annual limitation of coffee from non-member countries shall be adjusted accordingly. The adjusted limitation shall apply from the following coffee year onwards.

(2) When quotas are in effect, Members shall also limit their annual imports of coffee from each non-member which was a Contracting Party to the International Coffee Agreement 1976 or the International Coffee Agreement 1976 as Extended to a quantity not greater than a percentage

of the average annual imports from that non-member during coffee years 1976/77 to 1981/82. In coffee year 1983/84 this percentage shall be 70 percent and in coffee years 1984/85 to 1988/89 this percentage shall correspond to the proportion which the fixed part bears to the global annual quota under the provisions of paragraph (2) of Article 35.

(3) The Council shall revise the quantitative limitations resulting from the application of the provisions of paragraph (1) of this Article prior to the end of coffee year 1983/84 taking into account more recent reference years than those referred to in that paragraph.

(4) The obligations established in the preceding paragraphs of this Article shall not derogate from any conflicting bilateral or multilateral obligations which importing Members have entered into with non-member countries prior to the entry into force of this Agreement, provided that any importing Member which has such conflicting obligations shall carry them out in such a way as to minimise any conflict with the obligations established in the preceding paragraphs. Such Member shall take steps as soon as possible to bring its obligations into harmony with the provisions of paragraphs (1) and (2) of this Article and shall inform the Council of the details of the conflicting obligations as well as of the steps taken to minimise or eliminate the conflict.

(5) If an importing Member fails to comply with the provisions of this Article the Council may suspend both its voting rights in the Council and its right to have its votes cast in the Board.

CHAPTER VIII - OTHER ECONOMIC PROVISIONS

Article 46

Measures related to processed coffee

(1) Members recognise the need of developing countries to broaden the base of their economies through, *inter alia*, industrialisation and the export of manufactured products, including the processing of coffee and the export of processed coffee.

(2) In this connection, Members shall avoid the adoption of governmental measures which could cause disruption to the coffee sector of other Members.

(3) Should a Member consider that the provisions of paragraph (2) of this Article are not being complied with, it should consult with the other Members concerned, having due regard to the provisions of Article 57. The Members concerned shall make every effort to reach amicable settlement on a bilateral basis. If these consultations do not lead to a mutually satisfactory solution, either party may bring the matter before the Council for consideration under the provisions of Article 58.

(4) Nothing in this Agreement shall prejudice the right of any Member to take measures to prevent or remedy disruption to its coffee sector by imports of processed coffee.

Article 47

Promotion

(1) Members undertake to encourage the consumption of coffee by every possible means.

(2) To achieve this purpose the Promotion Fund shall continue to operate. The Fund shall be administered by a Committee composed of all exporting Members.

(3) The Committee shall approve its own bye-laws by a two-thirds majority vote not later than 31 March 1984. All decisions of the Committee shall be taken by a two-thirds majority vote.

(4) The Committee shall determine in its bye-laws the ways and means in which assistance shall be given to exporting Members for the encouragement of their domestic consumption.

(5) The Committee in its bye-laws shall also provide for consultation on proposed promotion activities with the appropriate parties in the importing Member countries concerned.

(6) The Committee may establish a compulsory levy for exporting Members. Other Members may also participate in the financing of the Fund on terms to be approved by the Committee.

(7) The resources of the Fund shall be used solely to finance promotion campaigns, to sponsor research and studies related to the consumption of coffee and to cover the administrative expenditures incurred in carrying out such activities.

(8) The levy referred to in paragraph (6) of this Article shall be payable in US dollars and shall be deposited in a special account which shall be at the disposal of the Committee and shall be designated the Promotion Fund Account.

(9) The levies established by the Committee shall be payable on the terms established for this purpose. Sanctions for the non-payment of levies shall be applied as follows:

(a) if any Member remains in arrears for a period exceeding three months its voting rights in the Committee shall be suspended automatically;

(b) if payment of the levy remains outstanding for six months the Member country concerned shall also lose its votes in the Executive Board and the Council; and

(c) if payment of the levy remains outstanding for longer than six months the Member country concerned shall be given an additional period of 45 days to settle its arrears. If the levy remains unpaid at the end of this additional period, the Executive Director shall withhold the export stamps corresponding to the quantity of coffee on which the unpaid levy is due and shall forthwith notify the Member concerned. The Executive Director shall report each such case to the Executive Board which may amend or cancel the action taken by the Executive Director. The Executive Director shall release such stamps as soon as the appropriate payment is made.

(10) The Committee shall approve promotion plans and programmes not less than six months before the date of their implementation. Should this not occur the uncommitted funds shall be returned to Member countries, unless the Committee decides otherwise.

(11) The Executive Director shall be the Chairman of the Committee and shall report periodically to the Council on activities relating to promotion.

Article 48

Removal of obstacles to consumption

(1) Members recognise the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.

(2) Members recognise that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

(a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;

(b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and

(c) internal trade conditions and domestic legal and administrative provisions which may affect consumption.

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(5) Taking into account any commitments undertaken under the provisions of paragraph (4) of this Article, Members shall inform the Council annually of all measures adopted with a view to implementing the provisions of this Article.

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

(7) The Council may, in order to further the purposes of this Article, make recommendations to Members which shall report as soon as possible to the Council on the measures adopted with a view to implementing such recommendations.

Article 49

Mixtures and substitutes

(1) Members shall not maintain any regulations requiring the mixing, processing or using of other products with coffee for commercial resale as coffee. Members shall endeavour to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of 90 percent green coffee as the basic raw material.

(2) The Council may request any Member to take the steps necessary to ensure observance of the provisions of this Article.

(3) The Executive Director shall submit to the Council a periodic report on compliance with the provisions of this Article.

Article 50

Production policy

(1) To facilitate the achievement of the objectives set out in paragraph (1) of Article 1, exporting Members undertake to adopt and to implement a production policy.

(2) The Council shall, by a distributed two-thirds majority vote, establish procedures for coordinating the production policies referred to in paragraph (1) of this Article. These procedures may include appropriate measures for, or encouragement of, diversification, together with the means whereby Members may obtain both technical and financial assistance.

(3) The Council may establish a contribution payable by exporting Members which shall be used to permit the Organization to carry out appropriate technical studies for the purpose of assisting exporting Members to adopt the measures necessary to pursue an adequate production policy. Such contribution shall not exceed 2 US cents per bag exported to importing Member countries and shall be payable in convertible currency.

Article 51

Policy relative to coffee stocks

(1) To complement the provisions of Chapter VII and of Article 50, the Council shall, by a distributed two-thirds majority vote, establish a policy relating to coffee stocks in producing Member countries.

(2) The Council shall adopt measures to ascertain annually the volume of coffee stocks in the hands of individual exporting Members in accordance

with the provisions of Article 35. The Members concerned shall facilitate this annual survey.

(3) Producing Members shall ensure that adequate facilities exist in their respective countries for the proper storage of coffee stocks.

(4) The Council shall undertake a study of the feasibility of supporting the objectives of this Agreement by an international stock arrangement.

Article 52

Consultation and cooperation with the trade

(1) The Organization shall maintain close liaison with appropriate non-governmental organizations concerned with international commerce in coffee, and with experts in coffee matters.

(2) Members shall conduct their activities within the framework of this Agreement in a manner consonant with established trade channels and shall refrain from discriminatory sales practices. In carrying out these activities they shall endeavour to take due account of the legitimate interests of the coffee trade.

Article 53

Information

(1) The Organization shall act as a centre for the collection, exchange and publication of:

(a) statistical information on world production, prices, exports and imports, distribution and consumption of coffee; and

(b) in so far as is considered appropriate, technical information on the cultivation, processing and utilisation of coffee.

(2) The Council may require Members to furnish such information as it considers necessary for its operations, including regular statistical reports on coffee production, production trends, exports and imports, distribution, consumption, stocks, prices and taxation, but no information shall be published which might serve to identify the operations of persons or companies producing, processing or marketing coffee. Members shall furnish information requested in as detailed and accurate a manner as is practicable.

(3) If a Member fails to supply or finds difficulty in supplying within a reasonable time statistical and other information required by the Council for the proper functioning of the Organization, the Council may require the Member concerned to explain the reasons for non-compliance. If it is found that technical assistance is needed in the matter, the Council may take any necessary measures.

(4) In addition to the measures provided for in paragraph (3) of this Article, the Executive Director may, after giving due notice and unless the Council decides otherwise, withhold the release of coffee stamps or other equivalent export authorisations as provided for in Article 43.

Article 54

Studies

(1) The Council may promote studies concerning the economics of coffee production and distribution, the impact of governmental measures in

producing and consuming countries on the production and consumption of coffee, the opportunities for expansion of coffee consumption for traditional and possible new uses and the effects of the operation of this Agreement on producers and consumers of coffee, including their terms of trade.

(2) The Organization may study the practicability of establishing minimum standards for exports of coffee from producing Members.

Article 55

Special Fund

(1) A special fund shall be established to permit the Organization to adopt and finance any additional measures required to implement provisions of this Agreement relevant to its operation, in particular the verification of stocks provided for in paragraph (2) of Article 51.

(2) Payments to the Fund shall consist of contributions payable by exporting Members pro rata to their exports to importing Members.

(3) The Executive Director shall, at the same time as he submits the Administrative Budget referred to in Article 25, submit a plan of activities to be financed by the Fund, together with the corresponding Budget which shall be approved by exporting Members by a two-thirds majority vote.

(4) The contribution payable by each exporting Member shall be assessed on the basis of the Budget of the Special Fund, shall be payable in US dollars and shall become due on the same date as contributions to the Administrative Budget.

(5) The Fund shall be managed and administered by a Committee composed of the exporting Members of the Executive Board in cooperation with the Executive Director and shall be subject to an independent annual audit as required for the accounts of the Organization under the provisions of Article 27.

(6) The contributions assessed in accordance with the provisions of paragraph (4) of this Article shall be payable on the terms established by the Committee for this purpose. Sanctions for the non-payment of the contributions shall be applied as follows:

(a) if any Member remains in arrears for a period exceeding three months its voting rights in the Committee shall be suspended automatically;

(b) if payment of the contribution remains outstanding for six months the Member concerned shall also lose its votes in the Executive Board and the Council; and

(c) if payment of the contribution remains outstanding for longer than six months the Member concerned shall be given an additional period of 45 days to settle its arrears. If the contribution remains unpaid at the end of this additional period, the Executive Director shall withhold the export stamps corresponding to the quantity of coffee on which the unpaid contribution is due and shall forthwith notify the Member concerned. The Executive Director shall report each such case to the Executive Board which may amend or cancel the action taken by the Executive Director. The Executive Director shall release such stamps as soon as the appropriate payment is made.

Article 56

Waiver

(1) The Council may, by a distributed two-thirds majority vote, relieve a Member of an obligation on account of exceptional or emergency circumstances, force majeure, constitutional obligations or international obligations under the United Nations Charter for territories administered under the trusteeship system.

(2) The Council, in granting a waiver to a Member, shall state explicitly the terms and conditions on which and the period for which the Member is relieved of such obligation.

(3) Unless the Council decides otherwise, if a waiver brings about an increase in the annual export entitlement of the Member concerned the annual quotas of all other exporting Members entitled to a basic quota shall be adjusted pro rata so that the global annual quota remains unaltered.

(4) The Council shall not consider a request for a waiver of quota obligations solely on the basis of the existence in the Member country making the request, in one or more years, of an exportable production in excess of its permitted exports or which is the consequence of the Member having failed to comply with the provisions of Articles 50 and 51.

(5) The Council may make rules concerning the procedures for the granting of waivers and the criteria for so doing.

CHAPTER IX - CONSULTATIONS, DISPUTES AND COMPLAINTS

Article 57

Consultations

Each Member shall accord sympathetic consideration to, and shall afford adequate opportunity for, consultation regarding such representations as may be made by another Member with respect to any matter relating to this Agreement. In the course of such consultation, on request by either party and with the consent of the other, the Executive Director shall establish an independent panel which shall use its good offices with a view to conciliating the parties. The costs of the panel shall not be chargeable to the Organization. If a party does not agree to the establishment of a panel by the Executive Director, or if the consultation does not lead to a solution, the matter may be referred to the Council in accordance with the provisions of Article 58. If the consultation does lead to a solution, it shall be reported to the Executive Director who shall distribute the report to all Members.

Article 58

Disputes and complaints

(1) Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation shall, at the request of any Member party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under the provisions of paragraph (1) of this Article, a majority of Members,

or Members holding not less than one-third of the total votes, may require the Council, after discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3) (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting Members;

(ii) two such persons nominated by the importing Members; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are Contracting Parties to this Agreement shall be eligible to serve on the advisory panel.

(c) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(d) The expenses of the advisory panel shall be paid by the Organization.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) The Council shall rule on any dispute brought before it within six months of submission of such dispute for its consideration.

(6) Any complaint that any Member has failed to fulfil its obligations under this Agreement shall, at the request of the Member making the complaint, be referred to the Council which shall make a decision on the matter.

(7) No Member shall be found to have been in breach of its obligations under this Agreement except by a distributed simple majority vote. Any finding that a Member is in breach of its obligations under this Agreement shall specify the nature of the breach.

(8) If the Council finds that a Member is in breach of its obligations under this Agreement, it may, without prejudice to other enforcement measures provided for in other Articles of this Agreement, by a distributed two-thirds majority vote, suspend such Member's voting rights in the Council and its right to have its votes cast in the Board until it fulfils its obligations, or the Council may decide to exclude such Member from the Organization under the provisions of Article 66.

(9) A Member may seek the prior opinion of the Executive Board in a matter of dispute or complaint before the matter is discussed by the Council.

CHAPTER X - FINAL PROVISIONS

Article 59

Signature

This Agreement shall be open for signature at the United Nations headquarters from 1 January 1983 until and including 30 June 1983 by Contracting Parties to the International Coffee Agreement 1976 or the International Coffee Agreement 1976 as Extended and Governments invited to the sessions of the International Coffee Council convened for the purpose of negotiating this Agreement.

Article 60

Ratification, acceptance, approval

(1) This Agreement shall be subject to ratification, acceptance or approval by the signatory Governments in accordance with their respective constitutional procedures.

(2) Except as provided for in Article 61, instruments of ratification, acceptance or approval shall be deposited with the Secretary-General of the United Nations not later than 30 September 1983. However, the Council may grant extensions of time to signatory Governments which are unable to deposit their instruments by that date.

Article 61

Entry into force

(1) This Agreement shall enter into force definitively on 1 October 1983 if by that date Governments representing at least 20 exporting Members holding at least 80 percent of the votes of the exporting Members and at least 10 importing Members holding at least 80 percent of the votes of the importing Members, calculated as at 30 September 1983, have deposited their instruments of ratification, acceptance or approval. Alternatively, it shall enter into force definitively at any time after 1 October 1983 if it is provisionally in force in accordance with the provisions of paragraph (2) of this Article and these percentage requirements are satisfied by the deposit of instruments of ratification, acceptance or approval.

(2) This Agreement may enter into force provisionally on 1 October 1983. For this purpose, a notification by a signatory Government or by any other Contracting Party to the International Coffee Agreement 1976 as Extended containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval in accordance with its constitutional procedures as rapidly as possible, which is received by the Secretary-General of the United Nations not later than 30 September 1983, shall be regarded as equal in effect to an instrument of ratification, acceptance or approval. A Government which undertakes to apply this Agreement provisionally pending the deposit of an instrument of ratification, acceptance or approval shall be regarded as a provisional party thereto until it deposits its instrument of ratification, acceptance or approval,

or until and including 31 December 1983 whichever is the earlier. The Council may grant an extension of the time within which any Government which is applying this Agreement provisionally may deposit its instrument of ratification, acceptance or approval.

(3) If this Agreement has not entered into force definitively or provisionally on 1 October 1983 under the provisions of paragraph (1) or (2) of this Article, those Governments which have deposited instruments of ratification, acceptance, approval or accession or made notifications containing an undertaking to apply this Agreement provisionally and to seek ratification, acceptance or approval may, by mutual consent, decide that it shall enter into force among themselves. Similarly, if this Agreement has entered into force provisionally but has not entered into force definitively on 31 December 1983, those Governments which have deposited instruments of ratification, acceptance, approval or accession or made the notifications referred to in paragraph (2) of this Article, may, by mutual consent, decide that it shall continue in force provisionally or enter into force definitively among themselves.

Article 62

Accession

(1) The Government of any State member of the United Nations or of any of its specialised agencies may accede to this Agreement upon conditions which shall be established by the Council.

(2) Instruments of accession shall be deposited with the Secretary-General of the United Nations. The accession shall take effect upon deposit of the instrument.

Article 63

Reservations

Reservations may not be made with respect to any of the provisions of this Agreement.

Article 64

Extension to designated territories

(1) Any Government may, at the time of signature or deposit of an instrument of ratification, acceptance, approval or accession, or at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement shall extend to any of the territories for whose international relations it is responsible; this Agreement shall extend to the territories named therein from the date of such notification.

(2) Any Contracting Party which desires to exercise its rights under the provisions of Article 5 in respect of any of the territories for whose international relations it is responsible or which desires to authorise any such territory to become part of a Member group formed under the provisions of Article 6 or 7, may do so by making a notification to that effect to the Secretary-General of the United Nations, either at the time of the deposit of its instrument of ratification, acceptance, approval or accession, or at any later time.

(3) Any Contracting Party which has made a declaration under the provisions of paragraph (1) of this Article may at any time thereafter, by notification to the Secretary-General of the United Nations, declare that this Agreement

shall cease to extend to the territory named in the notification. This Agreement shall cease to extend to such territory from the date of such notification.

(4) When a territory to which this Agreement has been extended under the provisions of paragraph (1) of this Article subsequently attains its independence, the Government of the new State may, within 90 days after the attainment of independence, declare by notification to the Secretary-General of the United Nations that it has assumed the rights and obligations of a Contracting Party to this Agreement. It shall, as from the date of such notification, become a Contracting Party to this Agreement. The Council may grant an extension of the time within which such notification may be made.

Article 65

Voluntary withdrawal

Any Contracting Party may withdraw from this Agreement at any time by giving a written notice of withdrawal to the Secretary-General of the United Nations. Withdrawal shall become effective 90 days after the notice is received.

Article 66

Exclusion

If the Council decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may, by a distributed

two-thirds majority vote, exclude such Member from the Organization. The Council shall immediately notify the Secretary-General of the United Nations of any such decision. Ninety days after the date of the Council's decision, such Member shall cease to be a Member of the Organization and, if such Member is a Contracting Party, a party to this Agreement.

Article 67

Settlement of accounts with withdrawing or excluded Members

(1) The Council shall determine any settlement of accounts with a withdrawing or excluded Member. The Organization shall retain any amounts already paid by a withdrawing or excluded Member and such Member shall remain bound to pay any amounts due from it to the Organization at the time the withdrawal or the exclusion becomes effective; provided, however, that in the case of a Contracting Party which is unable to accept an amendment and consequently ceases to participate in this Agreement under the provisions of paragraph (2) of Article 69, the Council may determine any settlement of accounts which it finds equitable.

(2) A Member which has ceased to participate in this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization; nor shall it be liable for payment of any part of the deficit, if any, of the Organization upon termination of this Agreement.

Article 68

Duration and termination

(1) This Agreement shall remain in force for a period of six years until 30 September 1989 unless extended under the provisions of paragraph (2) of this Article or terminated under the provisions of paragraph (3) of this Article.

(2) The Council may, at any time after 30 September 1987 by a vote of 58 percent of the Members having not less than a distributed majority of 70 percent of the total votes, decide either that this Agreement be renegotiated or that it be extended, with or without modification, for such period as the Council shall determine. Any Contracting Party which by the date on which such renegotiated or extended Agreement enters into force has not made a notification of acceptance of such renegotiated or extended Agreement to the Secretary-General of the United Nations, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall as of that date cease to participate in such Agreement.

(3) The Council may at any time, by a vote of a majority of the Members having not less than a distributed two-thirds majority of the total votes, decide to terminate this Agreement. Termination shall take effect on such date as the Council shall decide.

(4) Notwithstanding the termination of this Agreement, the Council shall remain in being for as long as necessary to carry out the liquidation of

the Organization, settlement of its accounts and disposal of its assets and shall have during that period such powers and functions as may be necessary for those purposes.

Article 69

Amendment

(1) The Council may, by a distributed two-thirds majority vote, recommend an amendment of this Agreement to the Contracting Parties. The amendment shall become effective 100 days after the Secretary-General of the United Nations has received notifications of acceptance from Contracting Parties representing at least 75 percent of the exporting countries holding at least 85 percent of the votes of the exporting Members, and from Contracting Parties representing at least 75 percent of the importing countries holding at least 80 percent of the votes of the importing Members. The Council shall fix a time within which Contracting Parties shall notify the Secretary-General of the United Nations of their acceptance of the amendment If, on expiry of such time limit, the percentage requirements for the entry into effect of the amendment have not been met, the amendment shall be considered withdrawn.

(2) Any Contracting Party which has not notified acceptance of an amendment within the period fixed by the Council, or any territory which is either a Member or a party to a Member group on behalf of which such notification has not been made by that date, shall cease to participate in this Agreement from the date on which such amendment becomes effective.

(3) The provisions of this Article shall not affect any power invested in the Council under this Agreement to revise any Annexes thereto.

Article 70

Supplementary and transitional provisions

(1) This Agreement shall be considered as a continuation of the International Coffee Agreement 1976 as Extended.

(2) In order to facilitate the uninterrupted continuation of the International Coffee Agreement 1976 as Extended:

(a) all acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 1976 as Extended, in effect on 30 September 1983, the terms of which do not provide for expiry on that date, shall remain in effect unless changed under the provisions of this Agreement; and

(b) all decisions required to be taken by the Council during coffee year 1982/83 for application in coffee year 1983/84 shall be taken by the Council in coffee year 1982/83 and applied on a provisional basis as if this Agreement had already entered into force.

Article 71

Authentic texts of the Agreement

The texts of this Agreement in the English, French, Portuguese and Spanish languages shall all be equally authentic. The originals shall be deposited with the Secretary-General of the United Nations.

IN WITNESS WHEREOF the undersigned, having been duly authorised to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

ANNEX 1

PEOPLE'S REPUBLIC OF ANGOLA

1. Not later than 31 July of each year Angola shall notify the Executive Director of the amount of coffee it expects to have available for export during the following coffee year. The quota of Angola for that coffee year shall be the amount thus indicated provided that this amount does not exceed the export entitlement for Angola calculated on the basis of the application of the provisions of Articles 30 and 35 of the International Coffee Agreement 1976 and provided that the amount indicated by the Member is confirmed by the Executive Director.

2. The annual quota of Angola established under the provisions of paragraph 1 of this Annex shall be exempt from downward or upward adjustments of quota and shall be deducted from the global annual quota established by the Council under the provisions of Article 34 prior to the allocation of annual quotas to exporting Members entitled to a basic quota under the provisions of paragraphs (1) and (2) of Article 35.

3. If the amount of coffee declared by Angola to be available for export in a coffee year exceeds the quota to which it would have been entitled under the provisions of Articles 30 and 35 of the International Coffee Agreement 1976 the procedures provided for in this Annex shall be suspended. A basic quota shall be established for Angola and it shall be subject to all the provisions of the Agreement applicable to exporting Members entitled to a basic quota.

EXPORTING MEMBERS SUBJECT TO THE PROVISIONS OF ARTICLE 31

Exporting Member	Percentage share 1/	Number of votes in addition to basic votes 2/
	(1)	(2)
TOTAL (a) with OAMCAF	100.00	44
(b) without OAMCAF	70.62	35
Bolivia	4.65	2
Burundi 3/		7
Ghana	2.14	0
Guinea	4.25	2
Haiti	16.99	7
Jamaica	0.74	0
Liberia	5.52	2
Malawi	0.99	0
Nigeria	3.11	0
Panama	2.79	0
Paraguay	4.61	2
Rwanda 3/		7
Sierra Leone	9.94	4
Sri Lanka	2.29	0
Thailand	4.44	2
Trinidad and Tobago	1.45	0
Venezuela	3.40	0
Zimbabwe	3.31	0
OAMCAF	29.38	9
Benin	2.24	0
Central African Republic	11.32	4
Congo	1.70	0
Gabon	1.70	0
Togo	12.42	5

1/ Refers to Members to which the provisions of paragraph (2) of Article 31 apply
2/ Refers to the provisions of paragraph (3) of Article 13
3/ See paragraph (6) of Article 31

SHARE OF INDIVIDUAL MEMBERS IN THE GLOBAL QUOTA
FOR EXPORTING MEMBERS ENTITLED TO A BASIC QUOTA
IN COFFEE YEAR 1983/84

Exporting Member	Percentage
TOTAL	100.00
Colombian Milds	20.12
Colombia	16.28
Kenya	2.48
Tanzania	1.36
Other Milds	23.36
Costa Rica	2.16
Dominican Republic	0.95
Ecuador	2.17
El Salvador	4.48
Guatemala	3.47
Honduras	1.49
India	1.24
Mexico	3.65
Nicaragua	1.28
Papua New Guinea	1.16
Peru	1.31
Brazilian and Other Arabicas	33.45
Brazil	30.83
Ethiopia	2.62
Robustas	23.07
Indonesia	4.55
OAMCAF	11.96
Uganda	4.44
Zaire	2.12

Note: The Philippines as an exporting Member entitled to a basic quota shall have an annual quota in coffee year 1983/84 of 470 000 bags which shall be subject to any adjustments applied to the quotas of exporting Members entitled to a basic quota under the provisions of the Agreement

I hereby certify that the foregoing text is a true and complete copy of the International Coffee Agreement 1983, open for signature at United Nations Headquarters from 1 January 1983 until and including 30 June 1983, the original of which is deposited with the Secretary-General of the United Nations.

Alexandre F. Beltrão
Executive Director
International Coffee Organization